

NOTIFICATION.

(FINANCE DEPARTMENT)

No FD 2 DCS 63 Bangalore, dated 6th June 1963

Ordered that the Compulsory Deposit Scheme (Compulsory Deposit (Employees) Scheme, 1963, which has been published in the *Gazette of India* Extraordinary, Part II, Section 3, sub-section (1) No G.S.R. 890, be re-published in the *Mysore Gazette* for general information

By Order and in the name of the Governor of Mysore,

N. S. BHARATH,
Deputy Secy. to Govt., F. D

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 25th May, 1963

G.S.R. 890—In exercise of the powers conferred by section 5 of the Compulsory Deposit Scheme Act, 1963 (21 of 1963), the Central Government hereby makes the following Scheme, namely.—

1 *Short title, commencement and application*—(1) This Scheme may be called the Compulsory Deposit (Employees) Scheme, 1963

(2) It shall come into force on the 1st July, 1963

(3) It applies to all employees referred to in clause (d) of section 2 of the Act whose annual income from salary is one thousand five hundred rupees or more and who are not liable to pay tax under the Income-tax Act, 1961 (43 of 1961)

2 Definitions —In this Scheme, unless the context otherwise requires,

- (a) "account" means a Compulsory Deposit Account under this Scheme,
- (b) "Act" means the Compulsory Deposit Scheme Act, 1963 (21 of 1963),
- (c) "depositor" means a person by whom or on whose behalf money is deposited under this Scheme,
- (d) "deposit office" means—
 - (i) a Head Post Office or a Departmental Sub Post office transacting saving bank business,
 - (ii) an office of the Reserve Bank of India and a branch or office of the State Bank of India and any subsidiary bank of the State Bank of India excluding such office or branch as may be notified by the Central Government, and
 - (iii) any other office authorised by the Central Government to accept deposits under this Scheme,
- (e) "officer in charge" includes an officer empowered under the rules of the deposit office to deal with the work relating to this Scheme
- (g) "Form" means a form set out in the Schedule to this Scheme.

3 Limits of Deposit —(1) Every person to whom this Scheme applies shall deposit three per cent of his annual income from salary in the manner specified in paragraph 4

Provided that for the year 1963-64 the deposit shall be two and one fourth per cent of such income

(2) Where the amount of any deposit to be made under this Scheme contains a part of a rupee, then, if such part is fifty naye paise or more, it shall be increased to one complete rupee and if such part is less than fifty naye paise it shall be ignored.

4 Manner of deposit —(1) Every person to whom this Scheme applies shall make an application in Form A, or as near thereto as may be, to a deposit office through his employer for opening an account under this Scheme in his name

Provided that where an employee is a minor, the employer shall make an application for opening an account in the name of the employee under this Scheme.

(2) The amount to be deposited under sub-paragraph (1) shall be deducted from the salary payable to the depositor by the employer .

(3) The employer shall forward to the deposit office the application, along with the amount of the deposit and a statement in Form F' in duplicate or, where required, in triplicate, of all the deductions made by him.

(4) On receipt of an application under sub-paragraphs (3) together with the amount of deposit, the deposit office shall open an account in the name of the depositor and issue a pass book in his name wherein all amounts deposited shall be entered over the signature of the officer in charge with the date stamp. The pass book shall be sent to the employer

(5) All subsequent deposits shall be accompanied by the pass book and a statement in Form F' together with the amount of deposit

(6) The deductions made by the employer from the salary of a depositor shall be remitted to the deposit office not later than fourteen days from the date on which the deduction is made

Provided that if the salary is paid more than once in a month, the period of fourteen days shall be reckoned from the date on which the salary is last paid in that month

Provided further that the deductions made in the month of March shall be deposited with the deposit office before the end of that month

(7) The employer shall remit all the amounts deducted by him to the deposit office not more than once in a month except that in the month of March two remittances may be made and the provisions of sub-paragraph (5) shall apply accordingly.

(8) Every deposit shall be made in cash, or by crossed cheque drawn in favour of the deposit office on a bank at the place where the deposit office is situated, into the office at which the account stands

Provided that where the deposit is made into a post office such deposit may be made by cheques only at places where clearing house facilities are available

(9) The Officer in charge of the deposit office shall return to the employer one copy of the statement in Form F' duly signed with the date stamp and retain with him the other copy or copies, as the case may be

5. *Transfer of accounts*—Where any employee is transferred from one office to another, the account of that employee under this Scheme may be transferred if the account was opened with—

- (i) the post office, to another post office,
- (ii) the office of the Reserve Bank of India, to another office of that bank,
- (iii) any branch or office of the State bank of India or its subsidiary bank, to any of its other branches or offices,

situated in the place in which the office to which the employee is transferred is located

6 *Custody of pass books*—(1) The pass book shall be kept in the custody of the employer but shall be available for inspection by the employee at all reasonable times.

(2) The employer shall hand over the pass book to the employee on his retirement or on the termination of his employment and in the event of the death of the employee, to the nominee or the heir of the deceased employee after obtaining a receipt for it

7. *Issue of duplicate pass book*—In the event of loss or destruction of the pass book, a duplicate thereof shall be issued by the deposit office, on application made to it together with a fee of Re 1 by the employer.

8. *Interest*—The deposit made under this Scheme shall bear simple interest at the rate of four per cent per annum to be calculated from the first day of the month immediately following the month in which the deposit is made to the last day of the month immediately preceding the month in which it is repaid (both days inclusive) and the amount of such interest shall be free of any tax under the Income-tax Act, 1961

9 *Repayments*—(1) Subject to the provisions contained in sub-paragraph (2) any deposit made under this Scheme during any year shall be repayable with interest thereon at the office at which the account stands after the expiry of five years from the end of the year in which the deposit was made

Provided that where the amount repayable stands in the name of a person who is a minor, the repayment may be made only to his parent or guardian :

Provided further that on his attaining majority under the Indian Majority Act, 1875 (9 of 1875) repayment shall be made to

him on his being identified to the satisfaction of the officer in charge of the deposit office.

(2) The depositor or, in the event of his death, his nominee or heir may apply to the deposit office for earlier repayment of the amount standing to the credit of the depositor. The Officer in charge of the deposit office shall, after verifying the account of the depositor, forward the application to the authority empowered by the Central Government in this behalf. On receipt of the application, the authority shall, by order in writing, authorise the deposit office to repay the deposit together with interest thereon, if the authority is satisfied that genuine hardship would be caused unless such earlier repayment is made.

(3) The repayment of a deposit shall be made only on the production of the pass book accompanied by an application in form C, or as near thereto as may be.

10 *Nomination* —(1) A depositor who is an individual may nominate in Form D or as near thereto as may be, one or more persons who shall be entitled to receive the amount at the credit of his account together with interest thereon, in the event of his death before the amount has become payable or, having become payable, has not been paid.

SCHEDULE

FORM A

[See paragraph 4(1)]

*Application for opening a Compulsory Deposit Account under the
Compulsory Deposit (Employees) Scheme, 1963.*

(To be submitted through the employer)

To

The

I hereby apply for opening an account under the Compulsory
Deposit (Employees) Scheme, 1963 in the name of . . . son/
daughter/wife of . . . and tender herewith

Rs. . . (Rupees . . . only) in cash/by cheque
as the initial amount of deposit, as listed in Serial No. . . . of
the schedule of deductions, Form F

Specimen signature of the

employee

Signature of the Depositor

Permanent address.

The account has been opened on . . . with Rs. . . . under
Compulsory Deposit Account No Pass Book has been issued.

Signature of the Officer in charge.

Date Stamp.

*If the account is to be opened on behalf of an employee who is a
minor, the application shall be signed by the employer and the date of
birth of the employee shall be recorded above the specimen signature of
the employee

FORM C

[See paragraph 9(3)]

*Application for Repayment of the Deposits under the Compulsory
Deposit (Employees) Scheme, 1963*

Date

Place

To

.
.. . . .
.

I wish to withdraw the amount deposited by me during the year
19 . . . in my Compulsory Deposit Account No together
with interest thereon. The Pass Book is enclosed.

Signature of

the depositor

(To be filled in by the deposit office)

Amount deposited in Account No

in the year 19 Rs.

Interest up to Rs

Total Rs

Passed for payment of Rs. (Rupees)

Signature of the Officer in charge

Signature of Depositor

Received payment as above.

Note.—If the depositor desires to collect the amount through
banker or messenger, he shall send a separate letter of authority
favour of his banker/messenger along with the pass book and the
application form, duly completed

(2) Where the deposit together with the interest thereon is payable to two or more nominees and either or any of them is dead, the amount shall be paid to the surviving nominee or nominees

(3) A nomination made by a depositor may be cancelled or varied by a fresh nomination in Form E, or as near thereto as may be, by giving notice in writing to the deposit office in which the account stands

(4) Every nomination and every cancellation or variation thereof shall be registered in the deposit office and shall be effective from the date of such registration, the particulars of which shall be entered in the pass book.

(5) If the nominee is a minor, the depositor may appoint any person to receive the amount due under the account, in the event of his death during the minority of the nominee

(6) No nomination shall be made in respect of an account opened and held on behalf of a minor during the period of his minority

11 *Protection against attachment*—The amount standing to the credit of any depositor shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the depositor

12 *Scheme not to apply in certain cases*—(1) If in any year in which this Scheme is in force, a person referred to in subparagraph (3) of paragraph 1, pays in the aggregate a sum which is not less than eleven per cent of the annual income from salary—

(i) to effect or to keep in force any insurance on the life of such person or on the life of the wife or husband of such person, or

(ii) as a contribution to any provision fund to which the Provident Funds Act, 1925 (19 of 1925), applies or to any "recognised provident fund" as defined in clause (38) of section 2 of the Income-tax Act, 1961, or

(iii) in a ten-year account or a fifteen-year account under the Post Office Savings Bank (Cumulative Time Deposit) Rules, 1959, as amended from time to time,

he shall not be liable to make any deposit under paragraph that year

(2) Every such person shall give a declaration in writing to his employer before the payment of his salary for the first time in the month of April that he would pay, during the course of the year, the sum referred to and in one or more investments specified in sub-paragraph (1). If the amount proposed to be paid by the depositor works out to not less than eleven per cent. of his annual income from salary, the employer shall not make any deduction from the salary of that person for the purposes of this Scheme

Provided that for the year 1963-64 such a declaration shall be made by every such person before the payment of his salary in the month of July, 1963

(3) The employer shall verify, during the course of the year but not later than the date on which the salary is paid in the last month of the year, whether the employee has paid the amounts according to his declaration. Where the amounts so paid fall short of eleven per cent of his annual income from salary for that year the employer shall deduct the full amount of the deposit referred to in sub-paragraph (1) of paragraph 3, from the salary payable to him in the last month of that year

13 *Production of documents by employers.*--The employer shall whenever required to do so produce to such authority or authorities as may be specified by the Central Government in this behalf all documents relating to the deductions made for the purposes of the deposits under this Scheme from the salary of such of his employees as are liable to make such deposits and to the remittance thereof to the deposit office in accordance with paragraph 4

FORM D

[See paragraph 10(1)]

Nomination under the Compulsory Deposit (Employees) Scheme, 1963

To

The.
.....

I hereby nominate the person/persons mentioned below to whom, in the event of my death, the amount standing to my credit in Compulsory Deposit Account No at the time of my death would be payable.

Sl. No.	Name of the nominee	Full address	Date of birth of nominee in case of minor
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As the nominee/nominees against Serial No/Nos specified above is a/are minor/minors, I appoint

(Name and full address)

.. .. . as the person to receive the amount due under the said account in the event of my death during the minority of the nominee/nominees.

Witness

Signature of Depositor.

The nomination has been registered on
and an entry made in the Pass Book.

Date Stamp

Signature of the Officer in charge.

FORM E

[See paragraph 10(3)]

*Application for Cancellation or Variation of Nomination previously made
in respect of the Compulsory Deposit Account No under
the Compulsory Deposit (Employees) Scheme, 1963.*

I the depositor of Compulsory
Deposit Account No hereby cancel the
nomination made by me in respect of the Compulsory Deposit Account
No.... ..

*In the place of the cancelled nomination, I hereby nominate the
person(s) mentioned below who shall, on my death, become entitled to
payment of the sum due on the above Account to the exclusion of all
other persons

Sl No	Name of the nominee	Full address	Date of birth of nominee in case of minor
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*To be filled in case of replacement only

As the nominee(s) against Serial No /Nos. is /are minor/minors,
I appoint as the person to receive the sum
(Name and full address)

due under the said account in the event of my death during the minority
of the nominee/nominees

Witness

Signature of Depositor.

The nomination has been registered on
and an entry made in the Pass Book.

Date Stamp

Signature of the Officer in charge.

Schedule of deductions from Wages or Salary for Deposit into Compulsory Deposit Account under the Compulsory Deposit (Employees) Scheme, 1963.

Address

Sl. No.	Name of employee	Account No	Amount of deposits	Date on which deduction was made
	Total	Rs	.. (Rupees)	

I/We certify that the deductions stated above are correct. The amount is hereby tendered for credit into the Compulsory Deposit Accounts specified above of my/our employees. The pass books are sent herewith. In the case of Serial No... I/We request that new pass books be issued against applications in Form A enclosed

Signature of the Employer

Date _____

Received the amount specified above (*vide receipt No ...
dated the , , .)

Date Stamp

Signature of the Officer in charge

(*To be entered in the case of post offices only)

[No. F. 3(6)-NS/63.]

SHIV NAUBH SINGH, Jt. Secy.